

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
          )  
W. R. GRACE & CO., et al.<sup>1)</sup> Case No. 01-01139 (JJF)  
          ) (Jointly Administered)  
          )  
Debtors.      )

**SUMMARIZED INTERIM FEE APPLICATION OF STEPTOE & JOHNSON LLP FOR  
COMPENSATION FOR SERVICES AND REIMBURSEMENT OF EXPENSES  
AS SPECIAL TAX COUNSEL TO W. R. GRACE & CO., ET AL., FOR  
THE MONTHLY INTERIM PERIOD  
FROM AUGUST 1, 2010-AUGUST 31, 2010  
THE QUARTER OF JULY – SEPTEMBER 30 2010**

Name of Applicant: Steptoe & Johnson LLP

Authorized to Provide Professional Services to: W.R. Grace & Co. et al. Debtors and Debtors in Possession

Date of Retention: Order entered January 28, 2002 effective as of July 1, 2001

Period for Which Compensation and Reimbursement is Sought: August 1, 2010-August 31, 2010

Objection Deadline: December 3, 2010

Total Amount of Fees Sought as Actual, Reasonable and Necessary for Applicable Period: \$1,485.50

Total Expense Reimbursement Sought as Actual, Reasonable and Necessary for Applicable Period: \$10.10

80% of Fees Sought as Actual, Reasonable and Necessary for Applicable Period: \$1,188.40

Total Amount of Holdback Fees Sought for Applicable Period: \$297.10

This is a X monthly X interim    final application.

<sup>1</sup> The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

The total time expended for the preparation of this application is approximately 1 hour, and the corresponding estimated compensation that will be requested in a future application is approximately \$500.00.

The history of the prior applications by Steptoe & Johnson is as follows:

| Date Filed | Period Covered      | Requested Fees | Requested Expenses | Approved Fees (80%) | Approved Expenses | Holdback Fees |
|------------|---------------------|----------------|--------------------|---------------------|-------------------|---------------|
| 03/29/02   | 07/01/01 – 07/31/01 | \$57,542.50    | \$3,135.22         | \$46,034.00         | \$3,032.12        | \$10,574.62   |
| 03/29/02   | 09/01/01 – 09/30/01 | \$75,710.50    | \$4,130.52         | \$60,568.40         | \$4,077.17        | \$15,142.10   |
| 03/29/02   | 11/01/01 – 11/30/01 | \$28,941.00    | \$ 638.26          | \$23,152.80         | \$ 627.16         | \$ 5,788.20   |
| 03/29/02   | 12/01/01 – 12/31/01 | \$ 3,275.00    | \$ 9.77            | \$ 2,620.00         | \$ 8.72           | \$ 655.80     |
| 05/09/02   | 10/01/01 – 10/31/01 | \$36,497.00    | \$ 330.84          | \$29,197.60         | \$ 330.84         | \$ 7,299.40   |
| 05/09/02   | 01/01/02 – 01/31/02 | \$29,944.00    | \$3,162.92         | \$18,102.70         | \$3,162.92        | \$ 5,988.80   |
| 05/09/02   | 02/01/02 – 02/28/02 | \$38,747.50    | \$4,709.66         | \$14,830.50         | \$2,849.66        | \$ 7,749.50   |
| 05/09/02   | 03/01/02 – 03/31/02 | \$25,718.50    | \$ 401.90          | \$20,574.50         | \$ 401.90         | \$ 5,143.70   |
| 08/26/02   | 04/01/02 – 04/30/02 | \$19,519.40    | \$ 198.24          | \$15,615.20         | \$ 198.24         | \$ 3,903.80   |
| 08/26/02   | 05/01/02 – 05/31/02 | \$57,288.00    | \$4,600.88         | \$45,840.40         | \$4,600.88        | \$11,457.60   |
| 08/23/02   | 06/01/02 – 06/30/02 | \$32,015.00    | \$2,634.28         | \$25,612.00         | \$2,634.28        | \$ 6,403.00   |
| 11/21/02   | 07/01/02 – 07/31/02 | \$15,366.00    | \$5,138.86         | \$12,292.80         | \$5,138.86        | \$ 3,073.20   |
| 11/21/02   | 08/01/02 – 08/31/02 | \$14,951.00    | \$ 135.85          | \$11,960.80         | \$ 135.85         | \$ 2,990.20   |
| 11/21/02   | 09/01/02 – 09/30/02 | \$22,133.00    | \$ 141.59          | \$17,706.40         | \$ 141.96         | \$ 4,426.60   |
| 03/04/03   | 10/01/02 – 10/31/02 | \$19,208.00    | \$ 207.40          | \$15,366.40         | \$ 207.40         | \$ 3,841.60   |
| 03/04/03   | 11/01/02 – 11/30/02 | \$30,075.00    | \$ 895.26          | \$24,060.00         | \$ 895.26         | \$ 6,015.00   |
| 03/04/03   | 12/01/02 – 12/31/02 | \$18,304.50    | \$ 279.68          | \$14,643.60         | \$ 279.68         | \$ 3,660.90   |
| 08/09/03   | 01/01/03 – 01/31/03 | \$ 3,566.50    | \$ 78.40           | \$ 2,853.20         | \$ 78.40          | \$ 2,853.20   |
| 08/09/03   | 02/01/03 – 02/28/03 | \$25,685.00    | \$ 62.59           | \$20,548.00         | \$ 62.59          | \$ 5,137.00   |
| 08/09/03   | 03/01/03 – 03/31/03 | \$49,493.00    | \$2,681.28         | \$39,594.40         | \$2,681.28        | \$ 9,898.60   |
| 10/06/03   | 04/01/03 – 04/30/03 | \$55,499.50    | \$3,369.95         | \$43,339.60         | \$3,369.95        | \$11,099.90   |
| 10/06/03   | 05/01/03 – 05/31/03 | \$ 6,046.50    | \$ 120.80          | \$ 4,837.20         | \$ 120.80         | \$ 1,209.30   |
| 10/06/03   | 06/01/03 – 06/30/03 | \$ 4,619.50    | \$ 15.14           | \$ 3,695.60         | \$ 15.14          | \$ 923.90     |
| 1/23/04    | 07/01/03 – 07/07/03 | \$ 2,781.50    | \$ 66.32           | \$ 2,225.20         | \$ 66.32          | \$ 556.30     |
| 1/23/04    | 08/01/03 – 08/31/03 | \$ 2,773.50    | \$ 11.58           | \$ 2,218.80         | \$ 11.58          | \$ 554.70     |
| 1/23/04    | 09/01/03 – 09/30/03 | \$14,415.00    | \$ 169.29          | \$11,532.00         | \$ 169.29         | \$ 2,883.00   |
| 2/25/04    | 10/01/03 – 10/31/03 | \$ 1,827.50    | \$ 32.28           | \$ 1,462.00         | \$ 32.28          | \$ 365.50     |
| 2/25/04    | 11/01/03 – 11/30/03 | \$ 3,002.00    | \$ 28.33           | \$ 2,401.60         | \$ 28.33          | \$ 600.40     |
| 2/25/04    | 12/01/03 – 12/31/03 | \$11,850.00    | \$ 32.70           | \$ 9,480.00         | \$ 32.70          | \$ 2,370.00   |
| 6/14/04    | 01/01/04 – 01/31/04 | \$ 1,827.00    | \$ 29.33           | \$ 1,461.60         | \$ 29.33          | \$ 365.40     |
| 6/14/04    | 02/01/04 – 02/29/04 | \$ 5,774.50    | \$ 70.80           | \$ 4,619.60         | \$ 70.80          | \$ 1,154.90   |
| 6/14/04    | 03/01/04 – 03/31/04 | \$ 3,697.58    | \$ 35.08           | \$ 2,938.06         | \$ 35.08          | \$ 739.52     |
| 9/17/04    | 04/01/04 – 04/30/04 | \$ 2,433.50    | \$ 9.59            | \$ 1,946.80         | \$ 9.59           | \$ 486.70     |
| 9/17/04    | 05/01/04 – 05/31/04 | \$ 8,038.00    | \$ 23.30           | \$ 6,430.40         | \$ 23.30          | \$ 1,607.60   |
| 9/17/04    | 06/01/04 – 06/30/04 | \$32,636.000   | \$2,581.55         | \$26,108.80         | \$2,581.55        | \$ 6,527.20   |
| 11/19/04   | 07/01/04 – 07/31/04 | \$14,710.50    | \$1,557.11         | \$11,768.40         | \$1,557.11        | \$ 2,942.10   |
| 11/19/04   | 09/01/04 – 09/30/04 | \$ 2,973.50    | \$ 81.64           | \$ 2,378.80         | \$ 81.64          | \$ 594.70     |
| 2/25/05    | 10/01/04 – 10/31/04 | \$ 5,498.00    | \$ 67.21           | \$ 4,398.40         | \$ 67.21          | \$ 1,099.60   |
| 2/25/05    | 11/01/04 – 11/30/04 | \$54,782.00    | \$ 455.69          | \$43,825.60         | \$ 455.69         | \$10,956.40   |
| 2/25/05    | 12/01/04 – 12/31/04 | \$ 798.00      | \$1,420.25         | \$ 638.40           | \$1,420.25        | \$ 159.60     |
| 6/07/05    | 02/01/05 – 02/28/05 | \$ 3,277.50    | \$ 46.91           | \$ 2,622.00         | \$ 46.91          | \$ 655.50     |
| 11/05/05   | 05/01/05 – 05/31/05 | \$ 1,472.50    | \$ 17.85           | \$ 1,178.50         | \$ 17.85          | \$ 294.50     |
| 11/14/05   | 08/01/05 – 08/31/05 | \$ 4,567.00    | \$ 38.27           | \$ 3,653.60         | \$ 38.27          | \$ 913.40     |
| 11/14/05   | 09/01/05 – 09/30/05 | \$18,503.00    | \$ 175.04          | \$14,802.40         | \$ 175.04         | \$ 3,700.60   |
| 3/31/06    | 10/01/05 – 10/31/05 | \$ 1,306.50    | \$ 4.02            | \$ 1,045.20         | \$ 4.02           | \$ 261.30     |
| 3/31/06    | 11/01/05 – 11/30/05 | \$ 3,378.00    | \$ 24.45           | \$ 2,702.40         | \$ 24.45          | \$ 675.60     |
| 3/31/06    | 12/01/05 – 12/31/05 | \$ 8,456.50    | \$ 73.62           | \$ 6,765.20         | \$ 73.62          | \$ 1,691.30   |

|          |                     |              |             |              |             |             |
|----------|---------------------|--------------|-------------|--------------|-------------|-------------|
| 5/23/06  | 01/01/06 – 01/31/06 | \$ 39,042.00 | \$ 9,134.32 | \$ 31,233.00 | \$ 9,134.32 | \$ 7,808.40 |
| 5/23/06  | 02/01/06 – 02/28/06 | \$62,377.00  | \$ 142.09   | \$49,901.60  | \$ 142.09   | \$12,475.40 |
| 5/23/06  | 03/01/06 – 03/31/06 | \$20,321.00  | \$ 85.95    | \$16,256.00  | \$ 85.95    | \$ 4,064.20 |
| 9/12/06  | 04/01/06 - 04/30/06 | \$67,143.00  | \$ 751.36   | \$53,714.40  | \$ 751.36   | \$13,428.60 |
| 9/12/06  | 05/01/06 – 05/31/06 | \$79,523.50  | \$ 366.70   | \$63,618.80  | \$ 366.70   | \$15,904.70 |
| 9/12/06  | 06/01/06 – 06/30/06 | \$11,149.50  | \$ 24.17    | \$ 8,919.60  | \$ 24.17    | \$ 2,229.90 |
| 12/04/06 | 07/01/06 – 07/31/06 | \$15,602.50  | \$ 88.56    | \$12,482.00  | \$ 88.56    | \$ 3,120.50 |
| 12/04/06 | 08/01/06 – 08/31/06 | \$20,218.00  | \$ 66.58    | \$16,174.40  | \$ 66.58    | \$ 4,043.60 |
| 12/04/06 | 09/01/06 – 09/30/06 | \$31,624.00  | \$ 16.50    | \$25,299.20  | \$ 16.50    | \$ 6,324.80 |
| 03/02/07 | 10/01/06 – 10/31/06 | \$17,852.00  | \$ 45.97    | \$14,281.60  | \$ 45.97    | \$ 3,570.40 |
| 03/02/07 | 11/01/06 - 11/30/06 | \$ 891.00    | \$ 26.70    | \$ 712.80    | \$ 26.70    | \$ 178.20   |
| 03/02/07 | 12/01/06 – 12/31/06 | \$32,354.50  | \$ 42.09    | \$25,883.60  | \$ 42.09    | \$ 6,470.90 |
| 05/31/07 | 01/01/07 - 01/31/07 | \$45,021.50  | \$ 28.09    | \$36,017.20  | \$ 28.09    | \$ 9004.30  |
| 05/31/07 | 02/01/07 - 02/28/07 | \$71,630.00  | \$ 783.33   | \$57,304.00  | \$ 783.33   | \$14,326.00 |
| 05/31/07 | 03/01/07 – 03/31/07 | \$43,373.00  | \$ 48.07    | \$34,698.40  | \$ 48.07    | \$ 8,674.60 |
| 08/07/07 | 04/01/07 - 04/31/07 | \$36,927.50  | \$ 102.40   | \$29,542.00  | \$ 102.40   | \$ 7,385.50 |
| 08/07/07 | 05/01/07 – 05/31/07 | \$41,712.00  | \$ 127.45   | \$33,369.60  | \$ 127.45   | \$ 8,342.40 |
| 08/07/07 | 06/01/07 – 06/30/07 | \$54,204.00  | \$ 209.69   | \$43,363.20  | \$ 209.69   | \$10,840.80 |
| 12/03/07 | 07/01/07 – 07/31/07 | \$ 6,358.00  | \$ 44.35    | \$ 5,086.40  | \$ 44.35    | \$ 1,271.60 |
| 12/03/07 | 08/01/07 – 08/31/07 | \$ 5,074.50  | \$ 30.40    | \$ 4,059.60  | \$ 30.40    | \$ 1,014.90 |
| 12/03/07 | 09/01/07 – 09/30/07 | \$ 3,861.00  | \$ 27.80    | \$ 3,088.80  | \$ 27.80    | \$ 772.20   |
| 03/04/08 | 10/01/07 – 10/31/07 | \$20,994.00  | \$ 205.76   | \$16,795.20  | \$ 205.76   | \$ 4,198.80 |
| 03/04/08 | 11/01/07 – 11/30/07 | \$ 4,971.00  | \$ 24.45    | \$ 3,876.80  | \$ 24.45    | \$ 994.20   |
| 03/04/08 | 12/01/07 – 12/31/07 | \$ 4,333.50  | \$ 46.35    | \$ 3,466.80  | \$ 46.35    | \$ 866.70   |
| 05/28/08 | 01/01/08 – 01/31/08 | \$ 6,972.50  | \$ 88.98    | \$ 5,578.00  | \$ 88.98    | \$ 1,394.50 |
| 05/28/08 | 02/01/08 – 02/29/08 | \$ 1,324.00  | \$ 16.35    | \$ 1,059.20  | \$ 16.35    | \$ 264.80   |
| 05/28/08 | 03/01/08 – 03/31/08 | \$ 3,490.00  | \$ 37.11    | \$ 2,792.00  | \$ 37.11    | \$ 698.00   |
| 9/10/08  | 04/01/08-04/30/08   | \$23,838.00  | \$ 2.30     | \$19,070.49  | \$ 2.30     | \$ 4,767.60 |
| 9/10/08  | 05/01/08-05/31/08   | \$56,329.50  | \$ 418.98   | \$45,063.60  | \$ 418.98   | \$11,265.90 |
| 9/10/08  | 06/01/08-06/30/08   | \$208,188.00 | \$ 1,844.51 | \$166,550.40 | \$ 1,844.51 | \$41,637.60 |
| 10/16/08 | 07/01/08 – 07/31/08 | \$79,866.00  | \$ 276.81   | \$63,892.80  | \$ 276.81   | \$15,973.20 |
| 10/16/08 | 08/01/08 – 08/31/08 | \$88,329.50  | \$ 2,104.68 | \$70,663.60  | \$ 2,104.68 | \$17,665.90 |
| 11/11/08 | 09/01/08 – 09/30/08 | \$ 37,033.50 | \$ 1,370.62 | \$29,626.80  | \$ 1,370.62 | \$ 7,406.70 |
| 2/13/09  | 10/01/08 – 10/31/08 | \$ 75,580.00 | \$ 73.92    | \$60,464.00  | \$ 73.92    | \$15,116.00 |
| 2/24/09  | 11/01/08 – 11/30/08 | \$70,104.00  | \$ 201.91   | \$56,083.00  | \$ 201.91   | \$14,020.80 |
| 2/24/09  | 12/01/08 – 12/31/08 | \$31,029.00  | \$ 147.01   | \$24,823.20  | \$ 147.01   | \$24,823.20 |
| 3/23/09  | 01/01/09 – 01/31/09 | \$43,753.50  | \$ 52.39    | \$35,010.80  | \$ 52.39    | \$ 8,752.70 |
| 3/24/09  | 02/01/09 – 02/28/09 | \$48,790.00  | \$ 357.02   | \$39,032.00  | \$ 357.02   | \$ 9,758.00 |
| 6/02/09  | 03/01/09 – 03/31/09 | \$22,661.50  | \$ 302.83   | \$18,129.20  | \$ 302.83   | \$ 4,532.30 |
| 6/02/09  | 04/01/09 – 04/30/09 | \$10,786.00  | \$ 55.90    | \$ 8,628.80  | \$ 55.90    | \$ 2,157.20 |
| 9/17/09  | 05/01/09 – 05/31/09 | \$ 1,357.00  | \$ 13.10    | \$ 1,085.60  | \$ 13.10    | \$ 271.40   |
| 9/17/09  | 06/01/09 – 06/30/09 | \$ 223.50    | \$ 0        | \$ 178.80    | \$ 0        | \$ 44.70    |
| 9/17/09  | 07/01/09 – 07/31/09 | \$ 2,556.50  | \$ 33.80    | \$ 2,045.20  | \$ 33.80    | \$ 511.30   |
| 10/16/09 | 08/01/09 – 08/31/09 | \$17,405.50  | \$ 63.56    | \$13,924.40  | \$ 63.56    | \$ 3,481.10 |
| NONE     | 09/01/09 – 09/30/09 | -            | -           | -            | -           | -           |
| 3/16/10  | 10/01/09 – 10/31/09 | \$ 1,478.00  | \$ 17.72    | \$ 1,182.40  | \$ 17.72    | \$ 295.60   |
| 3/16/10  | 11/01/09 – 11/30/09 | \$ 550.00    | \$ 11.00    | \$ 440.00    | \$ 11.00    | \$ 110.00   |
| 3/16/10  | 12/01/09 – 12/31/09 | \$ 3,980.50  | \$0         | \$ 3,184.40  | \$0         | \$ 796.10   |
| 6/30/10  | 1/1/10 – 1/31/10    | \$ 832.00    | \$ 15.44    | \$ 665.60    | \$ 15.44    | \$ 166.40   |
| 6/30/10  | 2/1/10 – 2/28/10    | \$ 2,978.50  | \$ 12.40    | \$ 2,382.80  | \$ 12.40    | \$ 595.70   |
| 6/30/10  | 3/1/10 – 3/31/10    | \$ 1,428.00  | \$ 22.25    | \$ 1,142.40  | \$ 22.25    | \$ 285.60   |
| NONE     | 4/1/10 – 4/30/10    | -            | -           | -            | -           | -           |
| 8/4/10   | 5/1/10 – 5/31/10    | \$3,160.50   | \$ 18.42    | \$ 2,528.40  | \$ 18.42    | \$ 632.10   |
| 8/4/10   | 6/01/10 – 6/30/10   | \$7,270.00   | \$ 21.00    | \$ 5,816.00  | \$ 21.00    | \$ 1,454.00 |
| CURRENT  | 7/1/10 – 7/31/10    | \$2,662.00   | \$ 5.10     | \$ 2,129.60  | \$ 5.10     | \$ 532.40   |
| CURRENT  | 8/1/10 – 8/31/10    | \$1,485.50   | \$ 10.10    | \$ 1,188.40  | \$ 10.10    | \$ 297.10   |
| CURRENT  | 9/1/10 – 9/30/10    | \$7,693.00   | \$ .10      | \$ 6,145.40  | \$ .10      | \$1,538.60  |

The S&J attorneys who rendered professional services in August 2010 are:

| Name of Professional Person & Matter | Position with the Applicant | Number of Years As an Attorney | Department | Hourly 2010 Billing Rate | Total Billed Hours | Total Compensation |
|--------------------------------------|-----------------------------|--------------------------------|------------|--------------------------|--------------------|--------------------|
| M.D. Lerner                          | Partner                     | Over 20                        | Tax        | \$785.00                 | .30                | \$235.50           |
| A. E. Moran                          | Partner                     | Over 20                        | Tax        | \$500.00                 | 2.50               | \$1,250.00         |

**Compensation by Matter**

| Matter Number | Matter                              | Total Hours | Total Fees Requested |
|---------------|-------------------------------------|-------------|----------------------|
| 20            | Case Administration                 | 0           | 0                    |
| 29            | File, Docket, Calendar Maintenance  | 0           | 0                    |
| 30            | Hearings                            | 0           | 0                    |
| 32            | S&J Fee Application, Preparation of | 2.50        | \$1,250.00           |
| 35            | Other Fee Applications              | 0           | 0                    |
| 38            | Retention of Professionals/Fees     | 0           | 0                    |
| 41            | Tax Matters                         | 0           | 0                    |
| 42            | Travel (1/2 total hours billed)     | 0           | 0                    |
| 46            | IRS Tax Litigation                  | .30         | \$235.50             |
| <b>Total</b>  |                                     | <b>2.80</b> | <b>\$1,485.50</b>    |

**Expense Summary – All attributable to subject matter 46 unless otherwise indicated.**

| Description                         | Amount       |
|-------------------------------------|--------------|
| Online Research                     | 0            |
| Copies – Matter 32                  | 9.30         |
| Copies – Matter 46                  | .80          |
| Hotel                               | 0            |
| Train Fare                          | 0            |
| Federal Express/Overnight Messenger | 0            |
| Facsimile                           | 0            |
| Conference Calls – Long Distance    | 0            |
| Working Meals                       | 0            |
| Local Transportation/Messenger      | 0            |
| Airfare                             | 0            |
| <b>Total</b>                        | <b>10.10</b> |

A detailed description of fees and expenses can be found at Exhibits A and B.

Nov. 3, 2010  
Date:

Respectfully submitted,  
STEPTOE & JOHNSON LLP

Anne E. Moran  
1330 Connecticut Avenue, NW  
Washington, DC 20036 (202) 429-6449

**EXHIBIT A**

Professional services rendered through: August 31, 2010

**Matter No. 012046.00003 - TAX LITIGATION AUDIT ISSUE**

|          |              |   |      |
|----------|--------------|---|------|
| 08/01/10 | A. E. Moran  | Work on quarterly application and bills for May and June. | 1.10 |
| 08/02/10 | A. E. Moran  | Revise and send out quarterly bill.                       | 0.90 |
| 08/03/10 | A. E. Moran  | Send out bills.   | 0.50 |
| 08/02/10 | M. D. Lerner | Review exhibits to IRS letter.                            | 0.20 |
| 08/16/10 | M. D. Lerner | Call with C. Finke regarding Form 3911.                   | 0.10 |

| Name        | Hours | Rate   | Value    |
|-------------|-------|--------|----------|
| M.D. Lerner | .30   | 785.00 | 235.50   |
| A. E. Moran | 2.50  | 500.00 | 1,250.00 |
| Total       | 2.80  |        | 1,485.50 |

|            |            |
|------------|------------|
| Total Fees | \$1,485.50 |
|------------|------------|

**Disbursements:**

|                         |                   |
|-------------------------|-------------------|
| Duplicating – Matter 32 | 9.30              |
| Duplicating – Matter 46 | .80               |
| Total Disbursements     | <u>\$10.10</u>    |
| Total This Statement    | <u>\$1,495.60</u> |

**EXHIBIT B**

STEPTOE & JOHNSON LLP  
 Detail Cost Report  
 Proforma: 868359

012046.00003 TAX LITIGATION AUDIT ISSUE

| Cost<br>Code  | Date     | Number | Name           | Description | Quantity | Rate | Amount |
|---|----------|--------|----------------|-------------|----------|------|--------|
| <b>PC LASER 1 Pages Wieczorek, JoAnn</b>              |          |        |                |             |          |      |        |
| LASR  | 08/02/10 | 00206  | Moran, Anne E. |             | 1.00     | 0.10 | 0.10   |
| LASR  | 08/02/10 | 00206  | Moran, Anne E. |             | 1.00     | 0.20 | 0.20   |
| <b>PC/Network Printing</b>                            |          |        |                |             |          |      |        |
| <b>PC LASER 1 Pages Ward, Brenda</b>                  |          |        |                |             |          |      |        |
| LASR  | 08/02/10 | 00206  | Moran, Anne E. |             | 1.00     | 0.10 | 0.10   |
| LASR  | 08/02/10 | 00206  | Moran, Anne E. |             | 1.00     | 0.20 | 0.20   |
| <b>PC/Network Printing</b>                            |          |        |                |             |          |      |        |
| <b>PC LASER 1 Pages Ward, Brenda</b>                  |          |        |                |             |          |      |        |
| LASR  | 08/02/10 | Total: |                |             | 0.20     |      |        |
| LASR  | 08/03/10 | 00206  | Moran, Anne E. |             | 1.00     | 0.10 | 0.10   |
| LASR  | 08/03/10 | 00206  | Moran, Anne E. |             | 1.00     | 0.20 | 0.20   |
| <b>PC/Network Printing</b>                            |          |        |                |             |          |      |        |
| <b>PC LASER 1 Pages Ward, Brenda</b>                  |          |        |                |             |          |      |        |
| LASR  | 08/13/10 | 00206  | Moran, Anne E. |             | 1.00     | 0.10 | 0.10   |
| LASR  | 08/13/10 | 00206  | Moran, Anne E. |             | 1.00     | 0.20 | 0.20   |
| <b>PC/Network Printing</b>                            |          |        |                |             |          |      |        |
| <b>PC LASER 1 Pages Ward, Brenda</b>                  |          |        |                |             |          |      |        |
| LASR  | 08/13/10 | 00206  | Moran, Anne E. |             | 3.00     | 0.10 | 0.30   |
| LASR  | 08/13/10 | 00206  | Moran, Anne E. |             | 3.00     | 0.20 | 0.60   |
| <b>PC/Network Printing</b>                            |          |        |                |             |          |      |        |
| <b>PC LASER 3 Pages Ward, Brenda</b>                  |          |        |                |             |          |      |        |
| LASR  | 08/13/10 | Total: |                |             | 0.40     |      |        |
| LASR  | 08/20/10 | 00206  | Moran, Anne E. |             | 1.00     | 0.10 | 0.10   |
| LASR  | 08/20/10 | 00206  | Moran, Anne E. |             | 1.00     | 0.20 | 0.20   |
| <b>PC/Network Printing</b>                            |          |        |                |             |          |      |        |
| <b>PC LASER 1 Pages Wieczorek, JoAnn</b>              |          |        |                |             |          |      |        |
| LASR  | Total:   |        |                |             | .80      |      |        |
| <b>Total: 012046.00003 TAX LITIGATION AUDIT ISSUE</b> |          |        |                |             |          |      |        |
| <b>.80</b>  |          |        |                |             |          |      |        |

STEPTOE & JOHNSON LLP  
Detail Cost Report

Proforma: 868360

012046.00005 BILLING & COURT FILINGS

| Cost                |                       | Timekeeper |                |             |          |      |        |
|---------------------|-----------------------|------------|----------------|-------------|----------|------|--------|
| Code                | Date                  | Number     | Name           | Description | Quantity | Rate | Amount |
| LASR                | 08/02/10              | 00206      | Moran, Anne E. |             | 11.00    | 0.10 | 1.10   |
| LASR                | 08/02/10              | 00206      | Moran, Anne E. |             | 11.00    | 0.20 | 2.20   |
| PC/Network Printing |                       |            |                |             |          |      |        |
| PC LASER            | 11 Pages Ward, Brenda |            |                |             |          |      |        |
| LASR                | 08/02/10              | 00206      | Moran, Anne E. |             | 11.00    | 0.10 | 1.10   |
| LASR                | 08/02/10              | 00206      | Moran, Anne E. |             | 11.00    | 0.20 | 2.20   |
| PC/Network Printing |                       |            |                |             |          |      |        |
| PC LASER            | 11 Pages Ward, Brenda |            |                |             |          |      |        |
| LASR                | 08/02/10              | 00206      | Moran, Anne E. |             | 11.00    | 0.10 | 1.10   |
| LASR                | 08/02/10              | 00206      | Moran, Anne E. |             | 11.00    | 0.20 | 2.20   |
| PC/Network Printing |                       |            |                |             |          |      |        |
| PC LASER            | 11 Pages Ward, Brenda |            |                |             |          |      |        |
| LASR                | 08/02/10              | Total:     |                |             | 3.30     |      |        |
| LASR                | 08/03/10              | 00206      | Moran, Anne E. |             | 6.00     | 0.10 | 0.60   |
| LASR                | 08/03/10              | 00206      | Moran, Anne E. |             | 6.00     | 0.20 | 1.20   |
| PC/Network Printing |                       |            |                |             |          |      |        |
| PC LASER            | 6 Pages Ward, Brenda  |            |                |             |          |      |        |
| LASR                | 08/03/10              | 00206      | Moran, Anne E. |             | 7.00     | 0.10 | 0.70   |
| LASR                | 08/03/10              | 00206      | Moran, Anne E. |             | 7.00     | 0.20 | 1.40   |
| PC/Network Printing |                       |            |                |             |          |      |        |
| PC LASER            | 7 Pages Ward, Brenda  |            |                |             |          |      |        |
| LASR                | 08/03/10              | 00206      | Moran, Anne E. |             | 12.00    | 0.10 | 1.20   |
| LASR                | 08/03/10              | 00206      | Moran, Anne E. |             | 12.00    | 0.20 | 2.40   |
| PC/Network Printing |                       |            |                |             |          |      |        |
| PC LASER            | 12 Pages Ward, Brenda |            |                |             |          |      |        |
| LASR                | 08/03/10              | 00206      | Moran, Anne E. |             | 7.00     | 0.10 | 0.70   |
| LASR                | 08/03/10              | 00206      | Moran, Anne E. |             | 7.00     | 0.20 | 1.40   |
| PC/Network Printing |                       |            |                |             |          |      |        |
| PC LASER            | 7 Pages Ward, Brenda  |            |                |             |          |      |        |
| LASR                | 08/03/10              | 00206      | Moran, Anne E. |             | 12.00    | 0.10 | 1.20   |
| LASR                | 08/03/10              | 00206      | Moran, Anne E. |             | 12.00    | 0.20 | 2.40   |
| PC/Network Printing |                       |            |                |             |          |      |        |
| PC LASER            | 12 Pages Ward, Brenda |            |                |             |          |      |        |
| LASR                | 08/03/10              | 00206      | Moran, Anne E. |             | 12.00    | 0.10 | 1.20   |
| LASR                | 08/03/10              | 00206      | Moran, Anne E. |             | 12.00    | 0.20 | 2.40   |
| PC/Network Printing |                       |            |                |             |          |      |        |

|  |                               |      |      |      |  |
|--|-------------------------------|------|------|------|--|
| PC LASER                                     | 12 Pages Ward, Brenda         |      |      |      |  |
| LASR   | 08/03/10 Total:               | 5.60 |      |      |  |
| LASR   | 08/13/10 00206 Moran, Anne E. | 1.00 | 0.10 | 0.10 |  |
| LASR   | 08/13/10 00206 Moran, Anne E. | 1.00 | 0.20 | 0.20 |  |
| PC/Network Printing                          |                               |      |      |      |  |
| PC LASER                                     | 1 Pages Ward, Brenda          |      |      |      |  |
| LASR   | 08/13/10 00206 Moran, Anne E. | 3.00 | 0.10 | 0.30 |  |
| LASR   | 08/13/10 00206 Moran, Anne E. | 3.00 | 0.20 | 0.60 |  |
| PC/Network Printing                          |                               |      |      |      |  |
| PC LASER                                     | 3 Pages Ward, Brenda          |      |      |      |  |
| LASR   | 08/13/10 Total:               | 0.40 |      |      |  |
| LASR   | Total:                        | 9.30 |      |      |  |
| Total : 012046.00005 BILLING & COURT FILINGS | 9.30                          |      |      |      |  |